

Perkins  
Coie  
Brown  
& Bain

Brian C. Lake  
PHONE: (602) 351-8150  
FAX: (602) 648-7155  
EMAIL: BLake@perkinscoie.com

2901 N. Central Avenue, Suite 2000  
Phoenix, AZ 85012-2788  
PHONE: 602.351.8000  
FAX: 602.648.7000  
www.perkinscoie.com

September 3, 2009

VIA EMAIL AND U.S. MAIL

Jonathan Dessales  
Dessales Law Group  
2700 North Central Avenue, Suite 1250  
Phoenix, Arizona 85004

Re: *Little Isle IV, LLC, et al. v. Jowdy*

Dear Jon:

This is the document  
(***TIMELINE 004***) that Jowdy  
and his Attorneys forged Court  
signatures and subsequently  
submitted to the AZ Court -- a  
fraud in Mexico and the USA --  
again unchecked...

We had previously been advised that on or about May 20, 2009, your client Phil Kenner filed a criminal complaint against my client, Ken Jowdy, with the Sub-Attorney General's office in Cabo San Lucas, Mexico (hereinafter, the "Criminal Complaint"). When I asked Mr. Kenner during his deposition whether any of the specific transactions at issue in this lawsuit were also involved in any way with his Criminal Complaint in Mexico, he stated twice that he did not know. See Kenner Depo. 187:8-13; 191:15-192:2.

As you know, we just obtained a copy of Mr. Kenner's Mexican Criminal Complaint, and we have filed it with the Court in this case, along with a copy of the sworn testimony Mr. Kenner's provided on June 15, 2009 in support of that Criminal Complaint. A review of those documents shows that the Criminal Complaint and Mr. Kenner's sworn testimony in that action directly contradict the allegations and sworn testimony that Mr. Kenner has given, and continues to give in this action regarding the alleged "loan" to Mr. Jowdy by Plaintiffs.

In the Criminal Complaint and in the testimony he gave in Mexico just a few months ago, Mr. Kenner claimed under oath that in July 2004 he entered into a verbal agreement with Ken Jowdy to invest \$11 million in the Diamante Cabo San Lucas development in consideration of being granted an equity interest in Diamante Cabo San Lucas SRL de CV and the property owned by said company. As you have now seen, Mr. Kenner attached bank statements as an exhibit to his Criminal Complaint on which he

Jowdy's attorneys alleged that Kenner's "loan" proffers in the AZ case were a fraud on the court and somehow contradicted with the Mexico claims that Jowdy STOLE all of the investor funds...despite GOV'T FORF-44 and Jowdy 3-2010 proffers to the FBI in which Jowdy personally **confirmed the loans...**

Jowdy and his attorneys FORGED Gov't stamps on the filed case paperwork since they STOLE it from the Mexico courts

ANCHORAGE - B  
OLYMPIA - PHOE

CONFIDENTIAL TREATMENT

ARK  
D. C

P

Jonathan Dessales  
September 3, 2009  
Page 2

identified (by date, payee and amount) each specific transaction that he claims was part of the \$11 million dollars, and in his sworn testimony he describes those payments as an investment that he personally made in the Diamante Cabo San Lucas development project. *See, e.g.*, June 15, 2009 Kenner testimony (“my work was to invest eleven million dollars”; “I made a verbal business agreement with Kenneth Aboud Jowdy . . . and he invited me to invest in a development called Diamante Cabo San Lucas, 11,000,000 million dollars”).

In this case, Mr. Kenner claims that following an initial oral request to Mr. Kenner from Mr. Jowdy in July 2004 (the same month and year), Little Isle IV and Ula Makika “loaned” \$8 million dollars to Mr. Jowdy to be used at his sole discretion—and without Mr. Kenner having any knowledge at all of how those funds would be used—and the First Amended Complaint identifies each one of the specific transactions (by date, payee and amount) that allegedly made up the \$8 million “loan.” The disputed Loan Agreement Document purportedly memorialized the terms of that loan.

Incredibly, the very same list of transactions that Mr. Kenner identifies in this case as amounts that were allegedly “loaned” to Mr. Jowdy by Little Isle IV and Ula Makika to be used at his sole discretion, are also identified in Mr. Kenner’s Criminal Complaint in Mexico as being part of the \$11 million in payments that Mr. Kenner allegedly personally “invested” with Mr. Jowdy specifically in the Diamante Cabo San Lucas development. Perhaps more disturbing, Mr. Kenner gave his sworn testimony in Cabo San Lucas, Mexico on June 15, 2009, which was the same day he failed to appear for his scheduled deposition in this case with respect to the alleged forged Loan Agreement Document. Further, one of the sworn witnesses to Mr. Kenner’s Criminal Complaint is none other than Bob Gaudet (Mr. Gaudet also gave his sworn testimony on June 15, 2009, together with Mr. Kenner). Of course, Mr. Gaudet has filed his own criminal complaint in Mexico against Mr. Jowdy, which is (not surprisingly) supported by sworn testimony from Mr. Kenner.

In light of the foregoing, and the other facts uncovered to date, it is now undeniable that Mr. Kenner has perpetrated and is continuing to perpetrate a brazen fraud upon the Federal Court and against Mr. Jowdy. We are confident that when presented with the full details of Mr. Kenner’s fraudulent claims and testimony, the Court will dismiss this action with prejudice and award Mr. Jowdy his full costs and attorneys fees as a sanction. In addition, in light of these new facts that have come to light, we do not see how your firm can in good faith continue to represent Mr. Kenner in this matter without becoming complicit in Mr. Kenner’s ongoing fraudulent conduct.

NO "fraudulent claims" were made by Kenner about "loans"...and the Mexico case pleadings versus Jowdy were not as Attorney Lake represented...

Jonathan Dessauls  
September 3, 2009  
Page 3

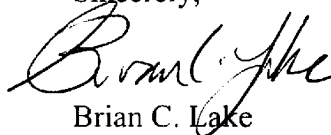
Nevertheless, in the interest of promoting an immediate and final conclusion to this dispute, and to prevent any further waste and abuse of judicial resources, Defendant is willing to offer Plaintiffs one last opportunity to dismiss this action now under the following conditions, all of which must be satisfied on or before Friday, September 11, 2009:

- Plaintiffs will withdraw their Motion to Remand;
- All Plaintiffs will sign a stipulation of dismissal, to be filed in open court, in which they agree to and request dismissal of this action with prejudice, and state that the dismissal is not in return for any payment or other consideration from Defendant or any other source; and
- Defendant will agree to waive his right to file a motion or application seeking an award of the costs and attorneys fees he has incurred to date in this matter.

Jon, please understand that this is one-time offer which will only remain in effect until midnight on September 11, 2009. If Plaintiffs fail to fulfill all the conditions of the offer by that date, then it will be withdrawn and we will pursue our case aggressively to its successful conclusion, and we will from that point forward seek sanctions against all the Plaintiffs and also against you and your firm (if you elect to continue your representation of Plaintiffs despite the proof of Mr. Kenner's fraud), which will include all of Mr. Jowdy's costs and attorneys fees from the beginning of the case forward, which already are significant.<sup>1</sup>

If you would like to discuss any of these issues, please do not hesitate to contact me. I sincerely hope that Plaintiffs decide to accept this opportunity to immediately end their baseless lawsuit against Mr. Jowdy.

Sincerely,



Brian C. Lake

cc: Kevin R. Harper

NO FRUAD was presented BUT Plaintiff Attorney Dessauls was afraid of the activity by Lake, Harvey and the discussions of Freeh's assistance with the FBI in the case about the then-claimed "NO LOANS" defense tactics...

<sup>1</sup> Since Kevin Harper recently filed a motion to withdraw as counsel, I have included him only as a cc: recipient of this letter. However, in the event that motion is dropped, or he decides not to withdraw from the case, then the issues and proposal discussed in this letter would apply to him as well.

Harper had already succumbed to the threats by Lake and filed to withdraw as Plaintiffs counsel...